

NIH POLICY MANUAL

26101-18-1 - ACQUISITION OF REAL PROPERTY BY NIH DIRECT LEASE OR THROUGH THE GENERAL SERVICES ADMINISTRATION

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A. Purpose and Scope:

This chapter provides procedures for the acquisition of space by the National Institutes of Health (NIH) by direct lease contract or through the General Services Administration (GSA) for occupancy by the Institutes, Centers, or Divisions (ICDs).

Procedures for the expedited acquisition of space resulting from an emergency, by service contract for a period of up to 180 days, are described in Manual Chapter [26101-17-2](#), Acquisition of Real Property on an Emergency Basis.

B. References:

1. Federal Property Management Regulations (FPMR), Part 101-17, Temporary Regulation D-76 (41 CFR Part 101-17)
2. FPMR, Part 101-18 (41 CFR Part 101-18)
3. Delegation of Short-term leasing authority from the Deputy Assistant Secretary for Health Management Operations to the Director, NIH, dated September 26, 1991
4. NIH Manual 1130, Delegations of Authority, Property: Real, [No. 5](#) and [5B](#)
5. GSA Acquisition Regulations (GSAR), 48 CFR Chapter 5
6. Public Health Service Facilities Manual

C. Policy:

It is the policy of NIH that the acquisition of space be administered by the Division of Space and Facility Management (DSFM), Office of Research Services (ORS), and governed by this manual issuance in accordance with

requirements of applicable Federal laws, Executive Orders, FPMR, and GSAR. The DSFM will acquire additional leased or GSA controlled space only if NIH's current space inventory will not accommodate the needs of an ICD.

The rent and operating support services costs of space acquired by NIH direct lease will be funded by the ICD through a direct charge. The rent and operating support services costs of space acquired by GSA lease or space assignment will be funded through the Management Fund. In addition, all DSFM's Fair Annual Rental Value appraisal, pre- and post-advertising, and document reproduction fees and all DES services will be funded by the ICD through a direct charge.

D. Definitions:

1. Acquisition Schedule - a chart listing the significant actions required from the start to the end of the acquisition process, their scheduling sequence in relationship to each other, and the time required to complete each action (Illustration 1).
2. Classification: Space - the broad identification of space into one of the 12 classifications found in the FPMR, Part 101-17.
3. Drawing: Design Intent - preliminary drawing showing the location of partitions, electrical and telephone outlets, and annotated to indicate the location and type of interior finishes and special requirements. The drawing, along with the space requirements and local building codes, serves as the basis for completing a construction drawing.
4. Drawing: Construction - a detailed set of drawings based upon design intent drawings supplemented by the specification document describing construction materials, equipment, electrical, lighting, plumbing, and mechanical systems. Together, these documents describe the specific requirements needed to perform alterations to a space.
5. Emergency - an extraordinary event such as a fire, natural disaster or immediate threat to the health and safety of occupants of space which renders the current space unusable and requires that it be vacated.
6. Fair Annual Rental Value (FARV) - the estimate of the probable annual rent amount reasonably expected for the right to the agreed use of real property as established by competition in the rental market and determined by a formal appraisal.
7. Federal Property Management Regulations (FPMR) - the Government-wide real property acquisition and management

regulations, issued by GSA, that govern delegated real property activities of Federal agencies.

8. Funding: Through a Direct Charge to the ICD - rent costs for space that is paid directly to the building owners or the designated representative upon submittal of an invoice. The ICD will provide DSFM with a funding document each fiscal year along with a CAN number for direct charges to the ICD. There will be no assessment by the Management Fund for the cost of space paid directly to the building owners or the designated representative.
9. Funding: Through the Management Fund - rent costs for space that is paid indirectly to GSA through the Department of the Treasury and charged to the Management Fund. The ICD will contribute to the Management Fund through the normal Management Fund assessment cycle.
10. General Services Administration Acquisition Regulation (GSAR) - GSA's supplement to the Federal Acquisition Regulations (FAR) that establishes policies for the acquisition of space by contract as delegated to GSA under the Federal Property and Administrative Services Act of 1949.
11. Impact Statement - an explanation of why space is needed and what impact on an ICD's program activities will result if the space is not acquired.
12. Lease: Direct - a lease contract negotiated by NIH and signed by its Contracting Officer under delegated leasing authority where NIH has full and exclusive contract administration rights and responsibilities.
13. Lease: GSA - a lease contract negotiated by GSA and signed by its Contracting Officer where GSA has full and exclusive contract administration rights and responsibilities. The GSA may delegate a portion of its contract administration rights and responsibilities to NIH subsequent to award of the contract.
14. Leasing Authority: Delegated - NIH's authority to acquire space that originates from either GSA or FPMR and has been formally redelegated to an NIH official.
15. Leasing Authority: Statutory - legislated authority to acquire space that is granted directly to the Department or its operating Divisions.
16. Program of Requirements (POR) - a comprehensive document which describes a facility required to meet an ICD's needs. Facility and space size, type, and functional requirements are addressed in detail.

17. Solicitation For Offer (SFO) - the document that describes the space required and that is used by DSFM or GSA as the basis for negotiating a lease contract with potential lessors.
18. Space - the areas in buildings, including improvements, that are occupied by and under the control of NIH.
19. Space: GSA Space Assignment - an administrative action by GSA which authorizes the occupancy and use of space by NIH in a GSA-owned or leased building.
20. Space: General Purpose - space without extraordinary features or building environmental systems that is suitable for office and office support or related activities.
21. Space: Long-Term - acquisition of space for a firm term period exceeding one year.
22. Space: Short-Term - acquisition of space for a firm term period of one year or less.
23. Space: Special Purpose - space which is wholly or predominately used for the special purposes of NIH and not generally suitable for use by other agencies, i.e., laboratories, medical and dental clinics, etc.
24. Standard Form 81, Request For Space - the form whose use is prescribed by FPMR or the NIH policy that describes the types and amounts of space needed, the time period that is needed, the geographic area where it must be located, and other pertinent information necessary to acquire and assign the space.
25. Standard Form 81A, Space Requirements Worksheet - the form whose use is prescribed by FPMR or the policy, as a supplement to the Standard Form 81, that describes the specific type and amount of space needed for employees and for support space.
26. Survey: Market - a search for and physical inspection of available buildings that appear to meet minimum space requirements regarding safety, security, zoning, quality, quantity, availability, and probable cost.
27. Survey: Preoccupancy - a physical inspection of space to ensure that all alterations have been completed and the space is ready for occupancy.

E. Responsibilities:

1. The ICD is responsible for providing written notification to DSFM,

ORS, when it is determined additional space is required; providing necessary funding documentation upon DSFM's request; providing evidence the request has been approved by the ICD's Executive Officer or Chief Administrative Officer (AO); and for working closely with DSFM throughout the space acquisition process.

2. The Director, NIH, is responsible for approving or disapproving all space acquisition actions by NIH direct lease or GSA lease.
3. The ORS Budget Office is responsible for the review of funding availability by the NIH Management Fund for the occupancy of GSA space.
4. The Division of Engineering Services (DES), ORS, is responsible for participating in market and pre- occupancy surveys and the development of a POR for special purpose space upon request and funding by the ICD. The DES will also review and approve any documents and space design drawings prepared by DSFM or GSA and will monitor space alterations to ensure compliance with NIH architectural and engineering (A&E) criteria. All DES services will be on a fee-for-service basis funded by the ICD requesting space.
5. The Division of Safety (DS), ORS, is responsible for participating in market and preoccupancy surveys. The DS will review and concur with the POR or SFO and review the space design drawings prepared by DSFM or GSA.
6. The Space Planning Branch (SPB), DSFM, ORS, is responsible for the development and approval of the ICD's space requirements. The SPB is also responsible for the development of master floorplans, including room numbers, space assignment memoranda, and coordinating the ICD's move into the leased space.
7. The Space Acquisition Branch (SAB), DSFM, ORS, is responsible for the management of the NIH direct and GSA leased space acquisition process, including space and operating cost budget preparation for submittal to the ICD.
8. The Facilities Management Branch (FMB), DSFM, ORS, is responsible for participating in preoccupancy surveys.
9. The Deputy Director, DSFM, ORS, is responsible for the administration of the space acquisition program and may sign lease contracts concurred on by the Associate Director for Research Services (ADRS) and the Office of General Counsel (OGC) as a real property Contracting Officer. The Deputy Director, DSFM, will supervise the overall activities of DSFM's SPB and SAB to ensure timely and complete delivery of the space approved by the Director,

NIH, for acquisition.

10. The Director, DSFM, ORS, is responsible for the overall administration of the space acquisition program and may sign lease contracts concurred on by the ADRS and OGC as a real property Contracting Officer. The Director, DSFM, will manage the overall activities of DSFM to ensure timely and complete delivery of the space approved by the Director, NIH, for acquisition.
11. The OGC is responsible for reviewing and providing preaward concurrence on all lease contracting actions.
12. The ADRS is responsible for reviewing and providing preaward concurrence on all lease contracting actions.

F. Acquisition Scheduling:

For initial planning purposes, the following schedule is to be used by an ICD to determine the approximate time needed by DSFM to acquire the space requested. These schedules are based upon acquiring space in an existing building, beginning at the time DSFM receives the ICD's request for space and ending at the time the space is ready for occupancy. If space is to be acquired in a building that does not exist and must be constructed, add 12 to 24 months to the following schedule. The SAB will provide a specific acquisition schedule for each request as described in section K-1, [Step 3](#) and K-2, [Step 2](#).

Space Type	Square Feet	Cost	Term	Time (Months)
All types	n/a	maximum \$1.00 per year	maximum 1 year	1 to 4
General Purpose	n/a	maximum \$25,000	maximum 20 years	3 to 6
General Purpose	maximum 10,000	n/a	maximum 20 years	3 to 9
General Purpose	over 10,000	n/a	maximum 20 years	9 to 18
Special Purpose	maximum 2,500	n/a	maximum 1 year	6 to 16
Special Purpose	over 2,500	n/a	maximum 1 year	7 to 18
Special Purpose	maximum 10,000	n/a	maximum 20 years	18 to 24

Special Purpose	over 10,000	n/a	maximum 20 years	18 to 28
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G. Request Process:

The ICD must initiate the space acquisition process by providing DSFM with a written request, approved by the ICD Executive Officer or Chief AO, that includes the following:

1. An Impact Statement;
2. A general description of the characteristics of the space(s) desired;
3. The estimated minimum and maximum time the space will be required;
4. The actual number of personnel to occupy the space(s) by employment classification and grade;
5. The identification and a comprehensive description of the program activities to be conducted in the space;
6. The geographic area to be considered; and
7. A statement by the Executive Officer or Chief AO that the budget for the ICD includes funding for the space acquisition, including all acquisition costs, i.e., appraisal, advertising, document reproduction, and DES services.

H. Acquisition Approval:

All requests for space must be approved by the Director, NIH. The DSFM will not acquire any space that has not been approved by the Director, NIH.

The DSFM will prepare and submit a memorandum to the ORS Budget Office and the Director, NIH, requesting approval of the proposed lease acquisition action. This request will describe the proposed acquisition and include a preliminary pre- and post-acquisition budget. If the proposed lease action is approved, DSFM will proceed to develop final requirements for the space necessary to meet the needs of the ICD. If the request is disapproved, DSFM will return the ICD's request to the Executive Office or Chief AO along with a memorandum explaining the reason(s) for the disapproval.

I. Requirements Development Process:

The development of requirements will be initiated by DSFM only upon receipt of a written request from the ICD and subsequent approval of an acquisition action as described in Section H, Acquisition Approval, above.

1. For general purpose type space acquired, i.e., office, office type

operating spaces, general storage, etc., the following events occur:

Step 1 - The SPB will meet with the ICD representative(s) to jointly develop the final requirements package. The final package will be assembled by SPB and will consist of a completed Standard Form 81, Request For Space, one or more of Standard Form 81A, Space Requirements Worksheets (Appendix 1, Federal Property Management Regulation, Part 101-17, pages 42181 to 42184), and other narratives and justifications, as necessary.

Step 2 - The SPB will provide the final requirements package to the ICD's Executive Officer or Chief AO or their designated representative for review and approval.

Step 3 - The ICD's Executive Officer or Chief AO will review and approve or disapprove the requirements package and return same to SPB.

Step 4 - If approved, SPB will provide a copy of the package to SAB which will determine the method of acquisition based upon Part J, Acquisition Method Selection Criteria. If disapproved and depending on the Executive Officer's or Chief AO's reasons for disapproval, SPB will either cancel the action or redevelop the requirements package for resubmittal to the Executive Officer or Chief AO.

2. For special purpose type space, e.g., laboratories, the following events occur:

Step 1 - The SAB will initiate a request to GSA, through the Public Health Service and the Department of Health and Human Services, for a Delegation of Authority to acquire the space by NIH direct lease contract.

Step 2 - The SPB will arrange for the development of a POR through DES.

Step 3 - The DSFM will meet with the ICD's representative(s) to jointly develop the final requirements package. The final package will be assembled by SPB and will consist of a completed Standard Form 81, Request For Space, one or more of Standard Form 81A, Space Requirements Worksheets (Appendix 1, pages 42181 to 42184), the final POR, and other narratives and justifications, as necessary.

Step 4 - The SPB will provide the final requirements package

to the ICD's Executive Officer or Chief AO for approval.

Step 5 - The ICD's Executive Officer or Chief AO approves or disapproves the requirements package and returns same to SPB.

Step 6 - If approved, SPB will provide a copy of the package to SAB who will determine the method of acquisition based upon Part J, Acquisition Method Selection Criteria. If disapproved and depending on the Executive Officer's or Chief AO's reasons for disapproval, DSFM will either cancel the action or redevelop the requirements package for resubmittal to the Executive Officer.

J. Acquisition Option Selection Criteria:

If the request for space is approved by ORS Budget Office and the Director, NIH, the SAB will proceed to select the acquisition method most advantageous to the ICD, after considering all factors and consulting with the ICD. Appendix 2 indicates the space acquisition method option available to NIH.

K. Acquisition Processes:

Once the acquisition method is selected, the SAB or the SPB will proceed to schedule and acquire the space requested by the ICD, by NIH direct lease or GSA lease, under one of the following procedures.

1. By NIH Direct Lease

Step 1 - The SAB will include the requirements approved in Part H, Acquisition Approval and developed in Section I, Requirements Development Process, into a draft SFO package.

Step 2 - The SAB will prepare and provide a draft SFO and acquisition schedule to the ICD Executive Officer or Chief AO, DES, DS, and all Branches of DSFM for review and comment. If the SFO needs to be amended, SAB will amend the draft SFO to include all requirements identified by the reviewers.

Step 3 - The SAB will provide the ICD's Executive Officer or Chief AO, DES, DS, and all Branches of DSFM with the final SFO and an acquisition schedule.

Step 4 - The SAB will initiate action to acquire the space in compliance with GSAR, Subpart 570.2, Procedures for

Contracting For Leasehold Interests in Real Property or Subpart 570.3, Expedited Procedures for Small Leases and Temporary Leases, whichever is applicable.

Step 5 - The SPB, ICD, DES, and DS will participate in SAB's market survey to determine availability of space that is acceptable for occupancy by the ICD.

Step 6 - The SAB will issue an SFO to all parties showing an interest in providing space to meet the needs of the ICD.

Step 7 - The SAB will enter into lease contract negotiations with all parties who have made a formal offer of space that is within the competitive rent range and who have a reasonable chance of being selected for award of a lease contract.

Step 8 - The SAB will complete its lease contract negotiations and will request a Best and Final Offer.

Step 9 - The SAB will evaluate the Best and Final Offers and will make a selection for award of the lease contract.

Step 10 - The SAB will order an appraisal of the space selected and will prepare the lease file for GSA pre-award review and approval.

Step 11 - Upon receipt of the appraisal, SAB will submit the lease file to GSA for preaward review and approval.

Step 12 - Upon GSA approval, SAB will award the lease contract and provide a signed copy to the ICD's Executive Officer or Chief AO, all ORS Divisions, all DSFM Branches, the Division of Financial Management, and the lessor.

Step 13 - The SPB will work with the ICD, DES, and DS to develop the design intent drawings to meet the ICD's needs and in compliance with NIH A&E and life safety criteria.

Step 14 - The SAB will provide the approved design intent drawings to the lessor for development of construction drawings.

Step 15 - The lessor will submit the completed construction drawings to SAB for approval.

Step 16 - The SAB will submit the lessor's construction

drawings to SPB for review and concurrence by SPB, ICD, DES, and DS.

Step 17 - The SPB will coordinate the review and concurrence of the construction drawings among the ICD, DES, and DS.

Step 18 - Upon acceptance of the construction drawings, SAB will provide the drawings to the lessor and authorize the start of space alterations.

Step 19 - The SAB, SPB, and DES will monitor the lessor's alterations work to ensure the space is built in compliance with the lease contract and approved construction drawings.

Step 20 - The SAB will notify the ICD Executive Officer or Chief AO, DES, and DS when the space alterations have been completed and the space is ready for the preacceptance and preoccupancy survey and will schedule the survey.

Step 21 - The SAB, SPB, FMB/DSFM, ICD, DES, and DS will participate in the preoccupancy survey of the space.

Step 22 - If the space is not acceptable, SPB, FMB, ICD, DES, or DS must provide written justification to SAB for the rejection. The SAB will take corrective action in order to ensure the space will be acceptable.

Step 23 - If the space is acceptable, SAB will provide written acceptance to the lessor, concurred in by the ICD Executive Officer or Chief AO, DES, and DS.

Step 24 - The SPB will coordinate the ICD move into the space.

2. By GSA Lease

Step 1 - The SPB will send an approved space requirements package, developed under Part I, Requirements Development Process, to GSA for action.

Step 2 - The GSA will provide DSFM with a draft acquisition schedule for review and comment.

Step 3 - The SPB will work with the ICD and GSA to finalize an acquisition schedule that is most advantageous to the ICD.

Step 4 - The SPB, ICD, DES, and DS will participate in GSA's market survey to determine availability of space that demonstrates a potential for meeting the needs of the ICD.

Step 5 - The GSA will provide DSFM with a draft SFO for review and comment. The SPB will work with the ICD, DES, DS, and all Branches of DSFM to finalize the SFO.

Step 6 - The SPB will compile all comments and will send them to GSA for incorporation into the final SFO.

Step 7 - The GSA will issue the SFO to all parties requesting the SFO and will initiate the leasing phase of the acquisition schedule.

Step 8 - The GSA will complete its lease rent negotiations and will select the space to be offered to DSFM for occupancy by the ICD.

Step 9 - The GSA offers space to DSFM for acceptance.

Step 10 - If the space is not accepted, the ICD, DES or DS must provide written justification to SPB explaining the reasons for not accepting the offered space.

Step 11 - The SPB will provide GSA with written notification that the space is not acceptable. If GSA agrees, they will offer other space. If the GSA does not agree and determines the offered space will meet the needs of the ICD, the ICD may cancel the request and forgo the acquisition of space.

Step 12 - Upon acceptance of space by the ICD, SPB, SAB, DES, and DS, the GSA will award a lease contract for the space.

Step 13 - The GSA will provide SPB with a set of floor plans for development of design intent drawings.

Step 14 - The GSA will monitor the lessor's alterations work to ensure the space is built in compliance with the approved construction drawings.

Step 15 - The GSA will notify SPB that the space alterations have been completed and the space is ready for the

preacceptance and preoccupancy survey.

Step 16 - The SPB, FMB, ICD, DES, and DS will participate in the preacceptance and preoccupancy survey of the space.

Step 17 - If the space is not acceptable, the ICD, FMB, DES, or DS must provide written justification for the rejection to SPB. The GSA will take corrective action in order that the space will be acceptable.

Step 18 - If the space is acceptable, SPB will provide GSA with written acceptance, concurred on by the ICD Executive Officer or Chief, AO, DES, and DS.

Step 19 - The SPB will coordinate the ICD move into the space.

L. Additional Information:

For further information on this chapter, contact SAB, DSFM, ORS, on (301) 402-0881.

M. Additional Copies:

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